

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

KEYSPAN ENERGY DELIVERY NEW ENGLAND
RESPONSE TO
ATTORNEY GENERAL'S SECOND SET OF INFORMATION REQUESTS

D.T.E. 06-54

Respondent: Nancy G. Culliford

Date: September 15, 2006

Information Request AG-2-3

- Q. Identify any and all provisions that the Company has made to protect customers from significant cost over-runs of the Algonquin G-Lateral project expansion. Provide supporting documentation.**
- A. Under the Agreement, the Company will take volumes under an AFT-1 service agreement and an AFT-CL service agreement for the term of the Agreement (15 years). The AFT-1 rate is a tariff rate which in order to be modified, Algonquin would need to file for a rate change with the Federal Energy Regulatory Commission ("FERC"). The AFT-CL is a negotiated rate for the 15-year term, irrespective of the final cost of the G-lateral expansion. Thus, Algonquin, not KeySpan customers, bears the risk of cost overruns.